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INFORMATION COLLECTION REQUEST  
FOR 40 CFR PART 51 AND 52  
PREVENTION OF SIGNIFICANT DETERIORATION AND  
NONATTAINMENT NEW SOURCE REVIEW REGULATORY REFORM

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## DRAFT

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## 1. IDENTIFICATION OF THE INFORMATION COLLECTION

### (a) Title of the Information Collection Request (ICR)

This report is entitled Information Collection Request for 40 CFR parts 51 and 52 Prevention of Significant Deterioration and Nonattainment New Source Review Regulatory Reform .

### (b) Short Characterization

The United States Environmental Protection Agency (EPA) is proposing to revise regulations pertaining to national Prevention of Significant Deterioration (PSD) of Air Quality and Nonattainment New Source Review (NSR) programs. The regulations being revised are contained in parts 51 and 52 of title 40 of the *Code of Federal Regulations (CFR)* which collectively specify requirements for the preparation, adoption, submittal, approval and promulgation of implementation plans. Specifically, 40 CFR 51.166 specifies requirements for State-adopted PSD programs; 40 CFR 52.21 sets out Federal PSD program requirements that may be run by States if they choose to accept delegation of EPA's authority. The State-adopted nonattainment NSR programs are governed by regulations at 40 CFR 51.165; 40 CFR 52.24 pertains to a construction moratorium in any nonattainment area that does not have an EPA-approved NSR program.

The proposed revisions are based on recommendations from the NSR Reform Subcommittee of the Clean Air Act Advisory Committee (CAAAC) which was convened to engage interested stakeholders in an effort to reduce the burden of NSR permitting, but retain the environmental protection attributes of the current NSR program. The proposed revisions to major NSR applicability criteria would exclude an estimated 50 percent of sources that might otherwise be subject to major NSR. These sources would then be covered by minor NSR programs implemented at the State and local levels. Figure 3-1 (below) displays the relative impact of each of the proposed revisions to major NSR applicability. Cost savings would be realized due to less effort needed for preparation of minor source permit applications and shorter processing time of minor versus major NSR permit and to the extent that the minor NSR technology control requirements and mitigation measures are less costly than the major source requirements and measures. Also, the proposed streamlining of some of the time-intensive aspects of the major source requirements would have a similar effect in decreasing the costs of developing permit applications, thus reducing the costs of delay and uncertainty in planning for future source growth. Permitting Authorities (PA's) and the EPA will also realize a decrease in permit processing costs.

Deleterious environmental consequences of the proposed revisions should be insignificant.

This ICR addresses the recordkeeping and reporting burden to industry respondents and State and local air pollution control agencies subject to the requirements under 40 CFR parts 51 and 52 as they would be affected by the proposed rulemaking. Burden means the total time, effort or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, verifying, processing, maintaining, disclosing, and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information. The types of information collection activities addressed in this ICR are those associated with preparing permit applications with documentation to support the conclusion that a project meets all applicable statutory and regulatory permitting requirements. The burden for monitoring, recordkeeping and reporting to verify that a source has constructed and operates within the permit conditions has been addressed in ICR's for two other program rulemaking efforts--The compliance assurance monitoring (CAM) rule and the operating permits programs developed under title V. This ICR also presents estimated impacts on the burden to EPA.

The burden estimates are calculated for the 3-year period beginning July 1998 and ending July 2001. This period was chosen based on a proposal in April 1996, promulgation in July 1997 and incorporation into State implementation plans (SIP's) or delegation agreements by July 1998.

## **2. NEED FOR AND USE OF THE COLLECTION**

### **(a) Need/Authority for the Collection**

Section 110 of the Clean Air Act (the Act) requires all States to adopt into their SIP's preconstruction review programs for new or modified stationary sources. The programs must include provisions that meet the specific requirements of part C "Prevention of Significant Deterioration (PSD)" and part D "Plan Requirements for Nonattainment Areas" of title I of the Act for permitting construction and modification of major stationary sources. Implementing regulations for State adoption of the NSR programs into their SIP's are promulgated at 40 CFR 51.160-166 and part 51, appendix S. Federal permitting regulations are

promulgated at 40 CFR 52.21 for PSD areas that are not covered by an EPA-approved program in the SIP. Before the owner or operator of a facility can begin construction or modification of its source, it must comply with all applicable permit requirements, which, in turn, ensures that the requirements of the Act are met.

Part C of title I of the Act sets out specific preconstruction review and permitting requirements for new and modified sources constructing in areas whose ambient air quality complies with the National Ambient Air Quality Standards (NAAQS). The PSD rules generally require a prospective major new or modified source to: (1) demonstrate that the NAAQS and increments will not be violated as a result of emissions increases from the proposed project, (2) ensure the selection and installation of best available control technology (BACT), (3) protect Class I areas from adverse impacts, and (4) consider local environmental concerns about the construction of a new, or modification of an existing, major stationary source.

Part D of title I of the Act specifies requirements for major new and modified sources constructing in areas designated as nonattainment for a NAAQS pursuant to section 107 of the Act. The part D provisions also apply to major source permitting in the Northeast Ozone Transport Region as established under section 184 of the Act. The part D rules generally require a major new or modified source to: (1) ensure the application of controls which will achieve the lowest achievable emission rate (LAER), (2) certify that all major sources in a State owned or controlled by the same person (or persons) are in compliance with all air emissions regulations, (3) secure reductions in actual emissions from existing sources equal to or greater than the projected increase to show attainment and maintenance of the applicable NAAQS (offsets) and (4) preparing an analysis of alternative sites, sizes, production processes and control strategies to show that the benefits of the proposed project outweigh the environmental and social costs that it would otherwise impose. A public review and comment period are required for all major source permit actions and some non-major source actions.

(b) Use/Users of the Data

The information prepared and submitted by the applicant source is essential for proper administration and management of the NSR program. The applicant must develop or collect all relevant information not otherwise available to the PA, and in cases where a Federal Class I area is likely to be adversely impacted, relevant information for the Federal Land Manager of that area. This would include conducting the necessary research,



performing the appropriate analyses, and preparing permit applications with documentation to support the conclusion that the proposed project meets all applicable statutory and regulatory requirements (summarized above and detailed in appendix A.) While some of the required analyses may be performed by the permitting authority in a given situation, this ICR assumes that all analyses will be performed by the source and thus represents a "worst case-burden" estimate.

The PA reviews the application materials submitted by the applicant and either declares the permit application complete for processing or provides the applicant guidance on how to correct the deficiencies in the application. The applicant then collects the additional data identified by the PA in order for the permit application to be deemed "complete." Although sufficient information must be submitted by the applicant before its permit can be determined to be complete, some additional information can be submitted at a later date by the applicant to assist the PA in processing the permit application.

Once an application is deemed complete the PA reviews it to affirm the proposed source or modification will comply with the Act and applicable regulations. It makes a preliminary determination regarding the approvability of the permit application and makes the determination, together with the application and supporting information, available to the public 30 days, the determination, together with the application and supporting information. The PA must then respond to public comments and take action on the final permit. Finally, the PA verifies that a source has constructed and subsequently operates in compliance with the permit conditions. The EPA reviews a fraction of the total applications and audits the State and local programs for their effectiveness. Some of the data are used to track emissions trends from major source growth and the use of control technologies for various kinds industrial applications.

In summary, sources derive the necessary information to demonstrate that a proposed project will meet all statutory and regulatory requirements and thus are qualified for a construction permit. Permitting authorities use the information to make informed decisions in issuing construction permits to stationary sources. The information also is used subsequently by permitting agencies to issue operating permits under title V of the Act. The public uses the information to provide input on permitting decisions that they have reason to believe will impact their local communities and areas of public interest.

### 3. THE RESPONDENTS AND THE INFORMATION REQUESTED

#### (a) Respondents/Standard Industrial Classification (SIC) Codes

Table 3-1 lists the three-digit SIC groups the Agency expects will comprise the majority of respondents who will be affected by this rulemaking. These categories were chosen because of their historic relative incidence in seeking NSR permits, as established in prior ICR's and confirmed by a nationwide air inventory performed by the Agency in 1986-87. These industries have been used as the basis for impact analysis since that inventory.

TABLE 3-1

#### PRIMARY NSR RESPONDENTS BY SIC CODE

<u>Industrial Category</u>	<u>SIC Code</u>
Steam Electric Plants	491
Petroleum Ruling	291
Chemical Processes	281
Natural Gas Transport	492
Pulp and Paper	261 and 262
Automobile Manufacturing	371
Pharmaceuticals	283

#### (1) Estimation of the Number of Sources Subject to Part D and PSD Regulations

Four ICR's have been prepared for previous NSR rulemakings: 1) the original NSR ICR was prepared July 1985; (2) an update for PM-10 was completed April 1988; (3) another update for nitrogen dioxide (NO<sub>2</sub>) increments was completed October 1988 and; (4) an ICR for the CMA exhibit A rule revision was written July 1989. The NSR program ICR was updated a fifth time in September 1995. In that revision, data from the prior four ICR's, which was believed to represent a reasonable consideration of the historic burden from the NSR program, was adjusted to reflect statutory changes in the NSR program resulting from the 1990 Amendments (1990 Amendments) to the Clean Air Act. As illustrated by Table 3-2 and reflected in the September 1995 ICR,

a significantly higher number of sources are subject to NSR because States have revised their SIP's to incorporate the lower applicability thresholds for new and modified sources in ozone nonattainment areas that were imposed by the 1990 Amendments. The September 1995 ICR serves as the baseline for the ICR described herein. Thus, the baseline total for the annual number of major NSR permits per year is estimated at 590 for part D permits and 320 for PSD permits.

TABLE 3-2

COMPARISON OF THE ANNUAL NUMBER OF SOURCES USED  
IN PREVIOUS NSR ICR'S TO ESTIMATE THE  
RECORDKEEPING AND REPORTING BURDEN TO INDUSTRY  
RESPONDENTS AND STATE AND LOCAL AIR POLLUTION CONTROL  
AGENCIES

	NSR ICR (7/85) <sup>a</sup>	PM-10 Increments ICR (4/88) <sup>a</sup>	NO <sub>2</sub> Increments ICR (10/88) <sup>a</sup>	CMA Exhibit A ICR (7/89) <sup>a</sup>	NSR Program ICR (9/95) <sup>a</sup>
<b>Industry Respondents</b>					
●Major PSD sources	300	300	300	300	320
●Major Part D sources	100	70	70	70	590 <sup>b</sup>
●Minor Source <sup>c</sup>	20,000	20,000	20,000	20,000	19,500
<b>State and Local Agencies</b>					
●Major PSD sources	60	60	60	60	60
●Major Part D sources	50	50	50	50	50
●Minor Sources <sup>c</sup>	85	85	85	85	85

<sup>a</sup>Date of the ICR reflects statutory lowering of major source cutoff due to the 1990 Amendments.

<sup>c</sup>Minor sources are sources in nonattainment and attainment/unclassifiable areas whose actual emissions and potential to emit are below the major source thresholds for nonattainment or PSD, and modified sources that will avoid the major source construction permit requirements by "netting out" (i.e., generating internal emissions reductions to counter proposed increases) or taking "synthetic minor" limits (i.e., limiting their potential to emit below the applicable threshold significance levels.)

(2) MAJOR STATIONARY NSR SOURCES

(i) Summary of NSR Reform Draft Regulations Affecting the Number of Major Sources

Pollution Control and Pollution Prevention Project

Exclusion: A simple exclusion for existing sources that either install control technology for the purpose of reducing pollution emissions, or that engage in projects that prevent emissions and that are determined by the permitting authority to be environmentally beneficial.

Clean Unit Test: Modifying sources that have installed control technology that is essentially equivalent to BACT or LAER would compare changes in maximum hourly potential emissions to determine applicability.

Clean Facility Exclusion: For sources that go through a full major source review, a 10-year period in which the facility may modify the facility or change operating conditions without being subject to major NSR, so long as the permit requirements are maintained.

Plantwide Applicability Limits: An emissions cap for a facility which is derived from historical actual emissions and a small (less than significant) margin for growth and which allows the facility to make subsequent modifications and operational changes at the facility so long as the cap is not exceeded.

Extension of the Netting Baseline: The period for establishing the historical actual annual emissions baseline from which proposed emissions increases are measured will be based on a period of 12 consecutive months out of the previous 120, compared to the period of the previous 2 years of operation under the existing regulations

Actual-to-Future-Actual Emissions Test: An applicability test that allows a source to determine the net emissions increase of a proposed modification by comparing projected actual emissions to the actual emissions baseline. Existing rules call for the emissions increase to be calculated as the difference between a source's new maximum potential emissions and its historical actual emissions.

(ii) Method for Estimating the Number of Major Stationary Sources Affected by NSR Reform

The approach involved two steps: a sensitivity analysis of those SIC groups which tend to have the greatest number of NSR

permits each year, and conducting telephone interviews to qualify the accuracy of these estimates. Interviews were conducted with State and EPA Regional Office personnel who were identified as having broad NSR permitting experience, industry experts, and other affected parties. These estimates were used to develop an overall estimate of the number of affected sources.

While the telephone surveys showed that even among experts with similar expertise and experience, estimates of the effects of the proposed changes varied widely, the net effect of the proposed revisions to the NSR regulations will be to reduce the number of sources subject to NSR permitting, as compared to the 1995 baseline. This reduction will occur in both nonattainment and PSD areas. Because data are not available for estimating the number of sources by pollutant, the number of sources subject to major NSR provisions was estimated collectively for all of the criteria pollutants. This is consistent with the methodology used for the September 1995 ICR and previous updates.

The EPA estimates that at least 80 percent of the sources in the 1995 baseline are major modifications to existing major sources. Out of the proposed NSR Reforms described above, four would create direct exclusions or revised applicability criteria that would reduce the number of sources which must undergo major NSR as a result of modification under the current regulations. The estimated effect of each is discussed below. The actual frequency that a given proposed revision would be used is extremely difficult to quantify given the limited data on the number and types of sources that have been issued major NSR permits in the past. Numerous assumptions were therefore necessary in deriving the estimated impacts of the proposed NSR Reform revisions. It is believed, however, that the assumptions err conservatively, so the analysis is still quite useful for estimating a conservative burden reduction of the proposed NSR Reform rule.

Pollution Control Project Exemption. The Agency expects the decrease in major NSR permits due to the proposed exemption for pollution control projects and qualifying pollution prevention projects to be about 5 percent of 1995 baseline. This estimated amount is small because it is believed most projects of this nature would not be a major modification under the current regulations. Consequently, the estimated reduction in the number of major part D permits is 30 per year, and the number of major PSD permits would fall by 16 per year.

New Applicability Test for "Clean Units." This test would apply to two types of modifications to existing emissions units. First, it is assumed that major modifications to existing units

constitute about 20 percent of all modifications that would otherwise be subject to NSR (16 percent of the 1995 baseline). About 50 percent of these modifications are assumed to have installed BACT or LAER within the last 10 years and another 10 percent would qualify as well-controlled units. Therefore the test would apply to approximately 10 percent of the 1995 baseline. Now it is assumed that 50 percent of these sources would exhibit no increase in potential hourly emissions and thus avoid major NSR. Multiplying the 1995 baseline by the resulting 5 percent, 30 part D and 16 PSD sources per year would be able to avoid major NSR as a result of this proposed applicability test.<sup>1</sup>

Change in Netting Baseline. Estimates for the percentage of modifications currently subject to major NSR that would be able to net out under the proposed system ranged from 25 to 90 percent. Using the 1995 baseline and the most conservative reduction (25 percent of estimated modifications or 20 percent of the 1995 baseline) this analysis projects 118 major part D sources or modifications and 64 major PSD sources per year would net out due to the change in the netting baseline.

Actual-to-Future Actual test. The Agency expects that the impact of this applicability test by itself would be similar to extending the period for determining the netting baseline; however, when combined, the two should create a synergistic effect. Therefore, the impact for this test was conservatively estimated at a 30 percent reduction of all modifications that would otherwise be covered by major NSR (or 25 percent of the 1995 baseline). Consequently the commensurate reduction in major part D NSR permits would be 147, and the number of PSD permits would drop by 80.

Clean Facility Exclusion and PAL's. The burden reductions associated with offering the "Clean Facility Exclusion" and "Plantwide Applicability Limits" (PAL's) were difficult to quantify and, therefore, were not included in the burden calculations. Neither represents an absolute exclusion. The "Clean Facility Exclusion" is predicated on a source's acquisition of a major NSR permit. The PAL's offer potential elimination of subsequent of applicability determinations and review; however, the number is case specific. Because PAL's represent a prospective look at future modifications and operational changes at the facility, they may be very detailed and complex to craft. Finally, it is difficult to predict what future activities might be subject to NSR apart from these

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1 State and Regional staff estimated the impact of the "Clean Units" exemption separately from this analysis. If their results are used, these impacts are 5 and 8 percent for nonattainment NSR and PSD respectively. This ICR therefore used the more conservative 5% across both programs.



exclusions, since other proposed revisions may be applicable and afford the same relief. Consequently, for the purposes of this analysis the Clean Facility Test and PAL's are assumed to have little impact on reporting and recordkeeping burden. Omitting the impacts of these two provisions bias the estimated ICR burden reduction conservatively.

Combined Effect of Changes. The decreases in the number of sources subject to major NSR are not additive. For example, a modified unit might no longer be subject to NSR because of the clean-unit test or the revision in the netting baseline. However, given the numerous assumptions that were necessary, the effect of this double-counting was also considered to be negligible. The estimated impact of all the proposed reforms on NSR applicability would be a reduction of 324 part D sources and 176 PSD sources, which otherwise would have been subject to major NSR. The September 1995 ICR baseline would be reduced to 266 part D and 144 PSD major sources per year. Table 3-3 below displays the changes in reporting requirements in tabular form. Figure 3.1 illustrates how the proposed revisions would affect the distribution of sources that would otherwise be subject to NSR under the current system.



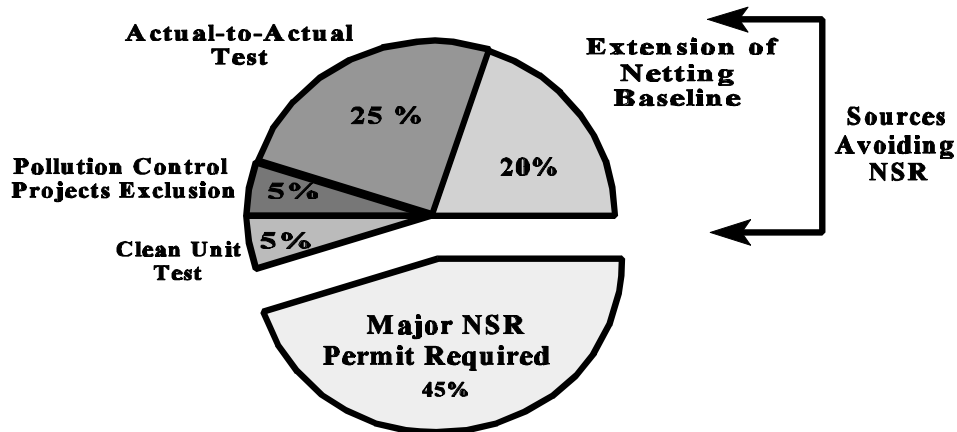
TABLE 3-3

MAJOR MODIFICATIONS ABLE TO AVOID NSR  
DUE TO THE NSR REFORM PROPOSALS\*

1995 Baseline for Reporting Sources			PSD	Part D NSR	Total
			320	590	910
Proposed Change to Applicability	Percent Reduction of Baseline		Units Able to Avoid NSR		
	PSD	Part D	PSD	Part D	TOTAL
New Test for "Clean Units"	5%	5%	-16	-30	-46
Change in Netting Baseline	20%	20%	-64	-118	-182
Use of Actual-To-Actual Test	25%	25%	-80	-148	-228
Pollution Control Project Exemption	5%	5%	-16	-30	-46
Total Reduction in 1995 Baseline	55%	55%	-176	-325	-501
Number of Sources Required to Report			144	266	410

FIGURE 3-1

DISTRIBUTION OF POTENTIAL NSR PERMITTING RESPONDENTS  
UNDER PROPOSED NSR REFORM CHANGES



(3) Minor Stationary Sources

The September 1995 ICR estimated 19,500 minor source permits per year. For the purposes of this analysis, the term "minor source" means either (1) any new source that is either below the major new source emissions thresholds, or (2) any modified existing major stationary source whose associated net emissions increase is below the major modification threshold called a "significant emissions increase," for either nonattainment or attainment/unclassifiable areas. Although these sources would not have to undergo major NSR, they would likely be subject to the relevant State minor NSR permitting provisions.

The number of minor sources nationwide will increase as a result of the decrease in major sources. The estimated total decrease in major sources as a result of the proposed NSR reforms was added to the 19,500 minor sources respondents to yield a estimated total of 20,000 minor source respondents.

(b) Information Requested

(1) Data Items

Tables A-1 and A-2 of appendix A summarize the data and information requirements which owners or operators of major sources would have to include in PSD and nonattainment NSR

construction permit applications under the proposed NSR Reform revisions. Also shown are the *CFR* references for the data and information requirements as specified in the proposed NSR Reform regulation. The *CFR* reference pertains to the requirements under part 51 which govern the way States implement NSR programs. For each reference in part 51, similar requirements will be found in part 52, which governs the way the EPA implements NSR programs or when States take delegation to implement such programs. Typically, owners or operators of minor sources will have to submit information necessary to demonstrate that they are exempt from the major source construction permit requirements; therefore, these owners or operators will not have to comply with all of the requirements shown in Tables A-1 and A-2.

## (2) Respondent Activities

Prior to 1994, the ICR for NSR did not provide as much detail of the relative burden and costs for obtaining a permit to construct. Therefore, to maintain as much consistency between this ICR and its predecessors, the required NSR permitting activities were aggregated into appropriate effort categories, along the lines established for the 1989 ICR for CMA Exhibit A. For analytical consistency, each of the 1994 effort categories maintained the same relative weighting as found in the ICR for CMA Exhibit A. Specific activities used to determine the unit burden in this ICR analysis are listed in Table 6-1.

## **4. THE INFORMATION COLLECTED -- AGENCY ACTIVITIES, COLLECTION METHODOLOGY, AND INFORMATION MANAGEMENT**

### (a) State and Local Agency Activities

Table A-3 summarizes the data and information requirements which State and local agencies must meet. Table A-3 also shows the part 51 references for the data and information requirements specified.

### (b) Collection Methodology and Management

The owners and operators of new or modified stationary sources affected by the NSR regulations will be responsible for submitting NSR permit applications to the PA. The PA will log in permit applications, store applications in a central filing location at the PA, notify any applicable Federal Land Manager (FLM), transmit copies of each application to EPA, and enter summary data for each application into the EPA's NSR Bulletin Board System (BBS). Once construction permits have been approved, the reviewing authority will submit control technology information to EPA's RACT/BACT/LAER Clearinghouse (RBLC)

database. Because the construction permits and associated control technology determinations are performed on a case-by-case basis, the regulations will not contain additional forms which owners or operators will have to fill out and submit to the PA. States will likely use their current permit application forms for NSR purposes.

Qualified personnel who work for the PA will perform permit reviews and check the quality of data submitted by the applicant on a case-by-case basis. The applicant will be required to submit information on how the data were obtained (e.g., indicate whether emissions data were obtained through the use of emissions factors or test data), and how calculations were performed. The PA personnel will check data quality by reviewing test data and checking engineering calculations, and by reviewing control technology determinations for similar sources. The RBLC and other sources will be reviewed for information on control technology determinations made for sources similar to the sources included in the permit application. Confidential information submitted by the applicant will be handled by the permit reviewing authority's confidential information handling procedures. The public will be provided the opportunity to review a permit application, including FLM findings, by obtaining a copy from the permit reviewing authority or by attending the public hearing. The public can also find summary data on all applicants in the NSR BBS. The NSR regulations will not require information through any type of survey. Specific activities used to determine the unit burden for the permitting agencies in this ICR analysis are listed in Table 6-2.

## **5. REGULATORY FLEXIBILITY, ENVIRONMENTAL EQUITY, AND OTHER COLLECTION CRITERIA**

### **(a) Small Entity Flexibility**

The Regulatory Flexibility Act requires regulatory agencies, upon regulatory action, to prepare several documents determined by, among other things, the attributes of the regulatory action being taken. These include: (1) a Certification, (2) an Initial Regulatory Flexibility Analysis (IRFA), and (3) a Final Regulatory Flexibility Analysis (FRFA). In addition, the agencies must assure through various mechanisms that small entities are given an opportunity to participate in the rulemaking process. The EPA has adopted these guidelines such that, for any new rule subject to the Regulatory Flexibility Act, a regulatory flexibility analysis is required if the rule will have any economic impact, however small, on any small entities that are subject to the rule. This section of the report provides an analysis to assist EPA in completing an IRFA for the

proposed NSR Reform regulations. An initial regulatory flexibility screening analysis showed that the proposed changes would not have any adverse impact on small entities.

#### (1) Methodology

This report uses an approach comparing emissions data with SBA size definitions at the source category level. Emissions data are currently being maintained by EPA in the Aerometric Information Retrieval System (AIRS) database. This database shows information at the plant and subplant level, (e.g., segments and stacks). The plants referred to in the AIRS database are equivalent to establishments. The AIRS database was used to determine the industries likely to be affected by NSR. The AIRS database provides information describing each source in the nation that emits over 100 tpy of a criteria air pollutant and, in some States, smaller sources as well. The information includes firm identifiers such as the name, address, county, and state; SIC codes; production parameters; process (or segment) identifiers; pollutant identifiers; and descriptions of emission control equipment, control efficiencies, emission rates, and annual emissions. The data in AIRS are required to be submitted by State and local agencies. These data are dynamic and may be periodically updated by the submitting agencies. For this reason, the most recent data year available may differ from State to State. Typically these data are available for base year 1990, but more recent data are available from some States. For this analysis the most recent data for each State were used.

The AIRS database does not contain complete information for all of the parameters necessary to complete this analysis on a national level. The degree of detail in the information submitted by States can vary widely. In particular, States have only been requested to provide information for major sources which, before 1992, were defined as those emitting over 100 tpy (or, in some cases, 250 tpy). This analysis required information on sources with potential emissions below 100 tpy. To identify those States which had voluntarily submitted information on sources emitting less than 100 tpy, the list of sources identified in the SIP for the nonattainment areas in a given State was compared with the list of sources in the AIRS database for that State. Ten States were selected from this list. For each State selected, data were collected on emissions of VOC, NO<sub>x</sub>, CO, and PM-10, (the four pollutants for which additional sources may be redefined as major in the part C and D regulatory changes). The ten States selected include: Arizona, Connecticut, Indiana, Massachusetts, Missouri, New York, New Jersey, Ohio, Tennessee, West Virginia.

The 10-State sampling provided information that had to be extrapolated to a national scale. This extrapolation process is consistent with the methodologies utilized in prior NSR Regulatory Flexibility Analysis work. Based on this assumption, a multiplier was developed as a weighted average using Gross State Product (GSP) figures compiled by the U.S. Department of Commerce for major industry groupings. Three weighted multipliers specific to the 10-State sample were derived; one for each of the 3-digit SIC codes listed below:

TABLE 5-1

## INDUSTRY MULTIPLIERS

SIC	Industry Group	Multiplier
200-299	Manufacturing-Non Durable Goods	3.5
300-399	Manufacturing-Durable Goods	3.2
400-499	Transportation and Public Facilities	3.6

These weighted multipliers were applied to estimates of the numbers of affected sources for the 10 States. This method does not subtract out the sources in attainment areas, which are relatively few. Consequently, the method overstates the number of affected sources in the 10 States and continues the conservative nature of this analysis.

The data for this analysis were collected at the three digit SIC code level, which groups industries together based on the product or service they provide. Entities providing government services are included in the SIC code groupings. Many other data sources provide financial information at the industry level.

The Small Business Administration has identified a set of industries as being small business dominated when over 60 percent of the constituent entities are classified as small. When average employment or revenues are computed for small business dominated industries, the averages reflect the small business influence.

## (2) Results

Small Government Entities. The screening analysis considered governmental entities, but determined that no small government



entities (defined as those serving populations of less than 50,000) would be affected. Only entities with new source permitting authority would be affected, and agencies with this authority are typically State governments, municipalities, and groups of municipalities to which authority has been specifically delegated. Therefore, since no small government entities are affected by this rule, there will be no significant economic effects to small governments as a result of the NSR reform changes.

Small Businesses. The proposed rulemaking does not provide any particular size or capacity bias which would negatively impact a particular business type relative to its size. The burden estimates described in section 6 of this ICR indicate that the impact of this rulemaking is to reduce the number of respondents. There is a small increase in projected burden hours on sources subject to the PSD major source requirements primarily associated with Class I area analyses. History has shown, however, that typically very large sources, i.e., not small businesses, are most likely to be required to provide substantial information regarding Class I impacts. Nonattainment area applicants should realize a small decrease in burden. Since the major source thresholds for sources of VOC are smaller, it is thought that this proposed rule has some potential for reducing impacts to small businesses that might be otherwise subject to nonattainment NSR.

Overall, cumulative benefits are expected, but will be relatively small because the proposed rule changes would provide small businesses with relief only in those infrequent cases where they might otherwise be covered under major NSR. The Agency concludes that the proposed rule changes would not have a significant economic impact on a substantial number of small entities, and that further analysis is not required under the Act.

### (3) Measures to Avert Impacts on Small Entities

The Act makes no provision for exempting a major stationary source from NSR simply because it is a small business. Nevertheless, because the impact of NSR Reform would be to reduce regulatory burden on major, new and modified sources of air pollutant emissions without respect to their economic classification, and since the proposal imposes no new regulatory burdens specifically on small businesses, unique measures to avert impacts on small entities were not considered.

#### (4) Measures to Mitigate Impacts on Small Entities

Since no significant adverse impacts on small entities have been identified, and, in fact, a burden reduction is projected, the Agency has not considered any measures to mitigate the impact of the proposed revisions on small entities. It is assumed that measures taken to lessen the impact of the program requirements, which have been available in the past, will continue. Implementation of small business stationary source technical and environmental compliance assistance programs as called for in section 507 of the Act (at the Federal and State levels) can reduce the reporting burden of small entities which are subject to major NSR. These programs may significantly alleviate the economic burden on small sources by establishing: 1) programs to assist small businesses with determining what Act requirements apply to their sources and when they apply, and 2) guidance on alternative control technologies and pollution prevention measures for small businesses.

#### (b) Collection Schedule

The NSR Reform regulatory revisions should be proposed in April 1996 and promulgated by July 1997. Another year will be necessary for States to revise their implementation plans. Each source affected by the revised NSR regulations will be required to submit an application as a prerequisite to receiving a construction permit. Preparation of a construction permit application is a one-time-only activity for each project involving construction of a new source or modification of an existing source. The NSR permit regulations do not require periodic reporting or surveys and NSR reform does not address this issue. The burden for monitoring, recordkeeping and reporting are addressed in the ICR's for the CAM rule and operating permits programs.

#### (c) Environmental Justice Considerations

##### (1) Purpose of Analysis

The Executive Order 12898 of February 11, 1994, requires that each Federal agency make achieving environmental justice (EJ) part of its mission. To do this, agencies are required to identify and address disproportionately high adverse health or environmental effects of agency programs on minority and low-income populations. As part of this plan agencies must consider EJ issues when new rules are proposed. This section of the report provides support to EPA in its efforts to address EJ issues related to the NSR Reform package. The EPA solicited guidance from the Agency's Office of Environmental Equity (OEE);



the Office of Policy, Planning and Evaluation (OPPE); and the Office of Solid Waste and Emergency Response (OSWER) on a general set of issues which should be considered in preparation of this report. These issues included descriptive statistics, industrial concerns, geographic concerns, and mitigation strategies.

It is the Agency's position that from its inception, the NSR program has allowed for the identification and consideration of EJ issues by the permitting authority during the public comment period of the permitting process. See sections 160 and 172(b) (5)-(11) of the Act. All major new sources whether in attainment or nonattainment areas must be evaluated for adverse impacts on ambient air quality as compared to the health-based NAAQS. .

## (2) Impact of NSR Reform

The most significant EJ concerns are most likely when the siting of a source in an area would have disproportionate effects on minority or low-income populations. The data in this section show that in many of the nonattainment areas affected by the NSR Reform changes, housing density is considerably higher than the State and national averages. When subsets of these areas correspond to areas with disproportionately high minority or low-income populations the Agency should be especially sensitive to the potential for adverse impacts on minorities and lower income groups. Even so, the primary effects of the proposed NSR Reform changes relevant to consideration of EJ will not be apparent when considered at the national level. The NSR reform deals predominantly with providing relief to those projects at existing sources that are not likely to generate an actual emissions increases or an increase with a significant adverse effect. New major sources and modifications that will result in a significant emissions increase, will still be required to install the appropriate pollution control technology, analyze impacts of emissions and mitigate unacceptable consequences according to the permitting regulations.

## (3) Mitigation Measures

The proposed NSR Reform rulemaking does not include new strategies to explicitly mitigate the effect of issuing permits to major sources with respect to EJ. It would, however, provide for better availability of information about proposed construction of new sources and modification to existing major sources. It thereby enhances the opportunities for public participation through the public comment process. Further, the proposed revisions would improve the ability of the public to appeal permitting decisions in State courts. The burden

associated with addressing EJ issues are assumed to be inherent in the estimates that have been used in this analysis.

(d) Nonduplication

The information collection activities required under the NSR regulations are not routinely performed elsewhere by EPA. However, similar information may be collected during the development of certain environmental impact statements (EIS). In such cases, regulations and policies require that information collected for EIS's and NSR programs be coordinated to the maximum extent possible so as to minimize duplicating the collection of data. Some of the required information also may already be available from States or other Federal agencies. However, even when these data are available, they are not generally adequate to address completely the relevant NSR requirements.

(e) Consultations

Extensive public participation took place in the development of the NSR Reform regulations which addressed the basic information collection requirements. From August 1992 through June 1993, the EPA convened three NSR simplification workshops, inviting representatives that are involved with and affected by the major source NSR permitting program. In July 1993, the EPA formed the NSR Reform Subcommittee under the auspices of the Clean Air Act Advisory Committee (CAAAC), a committee formed in accordance with the Federal Advisory Committee Act (FACA) (5 U.S.C. App. 2). This committee is composed of representatives from industry, State and local air pollution control agencies, environmental organizations and other Federal agencies. The purpose of this Subcommittee is to provide, under the direction of the CAAAC, independent advice and counsel to the EPA on policy and technical issues associated with reforming the major NSR program. Specifically, the Subcommittee has developed draft recommendations on approaches for reforming the major NSR rules with the dual objectives of (1) reducing program complexity and perceived impediments to speedy review of the current systems, and (2) maintaining the environmental goals and benefits embodied in the current program requirements. Public comment was also sought on a July 1994 staff draft of the contemplated reform revisions via a Federal Notice of a meeting of NSR Reform Subcommittee convened to review the draft, and an announcement on EPA's OAQPS Technology Transfer Network.

(f) Effects of Less Frequent Collection

The Act and implementing NSR regulations require the submittal of an application for each new new major source or major modification. The information required to be submitted by each permit applicant would be submitted on a one-time-only basis. Collection frequency is not an issue.

(g) General Guidelines

The recordkeeping and reporting requirements contained in the proposed NSR Reform regulatory revisions do not exceed any of the Paperwork Reduction Act guidelines contained in 5 CFR 1320.6.

(h) Confidentiality and Sensitive Questions

(1) Confidentiality

Confidentiality is not an issue for this rulemaking. Consistent with title I of the Act, the information that is to be submitted by sources as a part of their permit application and update; applications for revisions and renewals is a matter of public record. To the extent that the information required for the completeness of a permit is proprietary, confidential, or of a nature that could impair the ability of the source to maintain its market position, that information is collected and handled according to EPA's policies set forth in title 40, chapter 1, part 2, subpart B--Confidentiality of Business Information (see 40 CFR 2; 41 FR 36902, September 1, 1976; amended by 43 FR 39999, September 8, 1978; 43 FR 42251, September 28, 1978; 44 FR 17674, March 23, 1979).

(2) Sensitive Questions

The consideration of sensitive questions, (i.e., sexual, religious, personal or other private matters), is not applicable to this rulemaking. The information gathered for purposes of applying for, reviewing or issuing an NSR construction permit for a source do not include personal data on any owner or operator.

**6. ESTIMATING THE BURDEN AND COST OF THE COLLECTION**

Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing

information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information. The burden estimate should be composed of (1) a total capital and start-up cost component annualized over its useful life; (2) a total operation, maintenance and purchases of services component. Each component should be divided into burden borne directly by the respondent and any services that are contracted out.

(a) Estimating Respondent Burden and Costs

(i) Capital and Start-up Cost

Capital and Start-up cost include among other items, preparations for collecting information such as purchasing computers and software, monitoring, sampling, drilling, and testing equipment. As a practical matter these costs are not typical of costs associated with preparing a major source permit application. Even if an applicant is a brand new company and the prospective source is a "greenfield" source (of which the EPA estimates less than one percent of the respondents fit that description) most and perhaps all of the equipment needed to prepare permit applications, e.g., the computers and basic software, will be part of the sources business operation inventory. Furthermore, much of the data and regulatory and policy information for making technology determinations and even models for performing ambient air impact analyses are available in electronic form from several different EPA bulletin boards for just the communication charges which are typically hidden in routine business expenses.

It is estimated that about 25 percent of "greenfield" major source permit applicants have to conduct preapplication ambient monitoring for the impacts analyses. The proposed NSR Reform rulemaking requests comments on how the Agency can eliminate this requirement, so this analysis will conservatively assume the proposed rule will have no impact on this burden. Previous ICR's have incorporated the labor associated with the pre-application monitoring, but have not been required to report the capital or other direct costs. Consequently, the baseline does not succinctly reflect this cost. The EPA has compiled little data on the cost of pre-application monitoring, but is investigating this issue and invites comment on this cost element. Notwithstanding the above for the purposes of this ICR, the EPA assumes that preparation of a permit application is most similar to a start-up cost and will, therefore, report it as such.

The EPA is aware that a high percentage of permit applications are prepared in whole or in part by technical and legal consulting firms. Having never been required to ascertain the distribution or percentage of specific parts of the applications that are prepared through contract services, however, this information has not been compiled by EPA. Often this information is held as proprietary by sources. For the purposes of this ICR analyses the EPA will assume that an average of 30 percent of the total effort in preparing permit applications is contracted and that the proposed NSR Reform revisions will not affect the distribution in any manner. Consequently, the amount of contracted preparation services can be estimated by multiplying the estimated total hourly burden and cost reported in Table 6-1 by a factor of 0.3. The EPA invites comments on this estimate and methodology.

Respondents include owners or operators of major stationary sources which will be subject to the construction permit requirements under EPA's NSR regulations. Table 6-1 lists the respondent activities, burden, and estimated costs of the proposed NSR Reform package. This analysis estimates an increase in burden for PSD permit development in Class I areas of 18 hours, and a decrease of 7 hours because of the BACT cutoff date, for a net increase of 11 hours per permit. Using the September 1995 ICR as a baseline, the new cumulative PSD permit development estimate is 711 hours per source. The September 1995 ICR estimated the average part D permit development burden at 450 hours per source. The benefit to part D sources of the proposed reforms was the reduced the burden of the BACT and LAER analyses. The reduction was estimated at approximately 1 percent of the total burden to sources, or approximately 5 hours. Therefore, the overall part D permit development burden was estimated at 445 hours per source. As indicated, the NSR program would require an estimated burden of 380,500 hours under proposed NSR Reforms, which would constitute a reduction of about 265,000 hours (over 40 percent) from the September 1995 ICR baseline.

The cost values in Table 6-1 would ordinarily be derived from a discounted net present value of the stream of costs that would occur over the life of the permit program, or the ICR, whichever is shorter. However, in the case of NSR, there are only up-front costs. The burden and cost of applying for and issuing each permit is unique. Further, the monitoring, record-keeping and reporting burden and resultant costs are addressed in ICRs for the CAM rule and operating permits programs. Therefore, the costs of the NSR rule for the second and third years of the ICR, as modified by this proposal, are zero. The annualized value of the costs of the proposed NSR package is equal to the cost of the first yearly outlay.

The costs in Table 6-1 are determined by multiplying the estimated number of hours for each burden category by \$45.00 per hour. This value was estimated similarly to costs in prior NSR impact analyses, the 1992 part 70 permitting program ICR, and the 1994 part 71 Federal permitting program ICR. It represents a \$41 per hour in-house labor rate and a \$55 per hour consultant rate, utilized at a ratio of 70 percent to 30 percent, respectively. The estimated cost savings to respondents resulting from the proposed reforms would come to about \$11.9 million.

(ii) Cost of Operation, Maintenance and Purchase of Services

The EPA assumes that this component deals with the operation and maintenance of the capital equipment described in 6(a)(i) either directly by the source owner or operator or by a firm contracted to operate and maintain the capital equipment. Since the purchase of capital equipment is believed to be an insignificant factor in permit application preparation, the EPA assumes the operation, maintenance or services for same are negligible. Again, the EPA invites comment on this assumption.



**TABLE 6-1**  
**RESPONDENT BURDEN AND COSTS**

	Activity	No. Units	Hours Per Unit	Total Hours	Cost
<b>I.</b>	<b>Part C (PSD)</b>				
	<b>A. Preparation and Planning</b>				
	Determination of Compliance Requirements	144	86	12,384	\$557,280
	Obtain guidance on Data Needs	144	86	12,384	\$557,280
	Preparation of BACT Engineering Analysis	144	86	12,384	\$557,280
	<b>B. Data Collection and Analysis</b>				
	Air Quality Modelling	144	202	29,088	\$1,308,960
	Determination of Impact on Air Quality Related Values	144	50	7,200	\$324,000
	Pre-construction Air Quality Monitoring	144	50	7,200	\$324,000
	Post-construction Air Quality Monitoring	144	50	7,200	\$324,000
	<b>C. Permit Application</b>				
	Preparation and Submittal of Permit Application	144	52	7,488	\$336,960
	Public Hearings	144	33	4,752	\$213,840
	Revisions to Permit	144	16	2,304	\$103,680
	<b>D. TOTAL</b>	144	711	102,384	\$4,607,280
	<b>E. 1995 Baseline Burden</b>			224,000	\$10,080,000
	<b>F. Estimated Increase (Reduction) in Burden</b>			(121,616)	(\$5,472,720)
<b>II.</b>	<b>PART D (Nonattainment)</b>				
	<b>A. Preparation and Planning</b>				
	Determination of Compliance Requirements	266	75	19,913	\$896,063
	Obtain guidance on Data Needs	266	75	19,913	\$896,063
	<b>B. Data Collection and Analysis</b>				
	Preparation of LAER Engineering Analysis	266	20	5,310	\$238,950
	Demonstrate Offsets	266	40	10,620	\$477,900
	Prepare Analysis of Alternative Sites, Processes, etc.	266	60	15,930	\$716,850
	Air Quality Modelling	266	100	26,550	\$1,194,750
	<b>C. Permit Application</b>				
	Preparation and Submittal of Permit Application	266	38	10,089	\$454,005
	Public Hearings	266	25	6,638	\$298,688
	Revisions to Permit	266	12	3,186	\$143,370
	<b>D. TOTAL</b>	266	445	118,148	\$5,316,638
	<b>E. 1995 Baseline Burden</b>			265500	\$11,947,500
	<b>F. Estimated Increase (Reduction) in Burden</b>			(147,353)	(\$6,630,863)
<b>III.</b>	<b>Minor NSR Permitting</b>				
	<b>A. Prepare and Submit Permit Application</b>	20000	8	160,000	\$7,200,000
	<b>B. 1995 Baseline Burden</b>			156,000	\$7,020,000
	<b>C. Estimated Change in Burden</b>			4000	\$180,000
<b>IV.</b>	<b>TOTALS</b>				
	<b>A. Total Burden Based on Proposed Reforms</b>			380,532	\$17,123,918
	<b>B. 1995 Total Baseline Burden</b>			645,500	\$29,047,500
	<b>C. Estimated Increase (Reduction) in Burden</b>			(264,969)	(\$11,923,583)
*Cost is in 1994 dollars					

(b) Estimating the State and Local Agency Burden and Cost

Table 6-2 lists the State and local agency burden and costs associated with the major NSR permitting requirements, as modified by the proposed Reform changes described in section 3 of this analysis. There would be an estimated increase in burden due to the increased Class I area requirements in the proposed NSR reforms of about 9 hours per source. However, eliminating further analyses, meetings and negotiations late in the permitting process was estimated to save an average of 14 hours per permit. With other streamlining attributes the NSR Reforms were projected to reduce State and local agency burden by a total of 8 hours for a resulting burden estimate of 272 hours per major source permit. The September 1995 ICR estimated the part D NSR permit processing burden to State/local agencies to be 110 hours. The actual burden reduction per permit of this proposed rulemaking is expected to be statistically negligible. The proposed NSR reforms are not expected to impact the part D major source review responsibilities of the States and local agencies, nevertheless, the actual hourly burden by item came to a sum of 109. The projected NSR program total burden on States and local agencies, if the reform revisions are promulgated, would be 268,162 hours representing a savings of 78,190 hours from the September 1995 ICR baseline.

As is the case with the respondents, State and local agencies who will approve NSR permits will only have start-up costs for any given permit. Consequently, while the State or local agency will approve many permits each year, the annual burden for that function is simply equal to the burden found in any one year.

(c) Estimating Agency Burden and Cost

The EPA Regional Offices typically review major NSR permits. The EPA review of NSR permits is expected to consist of the tasks with associated burden hours listed in Table 6-3. These tasks result in an upper bound on the EPA burden of 15 hours per permit for PSD sources and for nonattainment NSR. For minor new source review applications, the Agency expects that its entire burden for each permit will be limited to the review and verification of the applicability determination of that source. The estimated burden for each minor NSR permit is the same as that for a major NSR applicability determination, 2 hours per application; however the EPA anticipates that it will only audit about 10 percent of the minor source permits due to the continuing trend to entrust this program responsibility to the States. The cost estimate uses a wage and overhead rate of \$34 hour (based on a Federal wage rate at the Grade 11, step 3 level for the 1994 pay schedule, adjusted for overhead and other appropriate costs). This wage



**TABLE 6-2**  
**STATE AND LOCAL AGENCY BURDEN AND COSTS**

	Activity	Unit	Hours Per Unit	Total Hours	Cost *
<b>I.</b>	<b>PART C (PSD)</b>				
	A. Attend Preapplication Meetings	144	36	5184	\$176,256.0
	B. Answer Respondent Questions	144	20	2880	\$97,920.0
	C. Log In and Review Data Submissions	144	16	2304	\$78,336.0
	D. Request Additional Information	144	8	1152	\$39,168.0
	E. Analyze for and Provide Confidentiality Protection	144	24	3456	\$117,504.0
	F. Prepare Completed Applications for Processing	144	32	4608	\$156,672.0
	G. File and Transmit Copies	144	8	1152	\$39,168.0
	H. Prepare Preliminary Determination	144	24	3456	\$117,504.0
	I. Prepare Notices for and Attend Public Hearings	144	40	5760	\$195,840.0
	J. Application Approval	144	40	5760	\$195,840.0
	K. Notification of Applicant of PA Determination	144	8	1152	\$39,168.0
	L. Submittal on Information to BACT / LAER to RBLC	144	16	2304	\$78,336.0
	M. Total	144	272	39168	\$1,331,712.0
<b>II.</b>	<b>PART D (Nonattainment)</b>				
	A. Attend Preapplication Meetings	266	7	1862	\$63,308.0
	B. Answer Respondent Questions	266	10	2660	\$90,440.0
	C. Log In and Review Data Submissions	266	8	2128	\$72,352.0
	D. Request Additional Information	266	4	1064	\$36,176.0
	E. Analyze for and Provide Confidentiality Protection	266	4	1064	\$36,176.0
	F. Prepare Completed Applications for Processing	266	12	3192	\$108,528.0
	G. File and Transmit Copies	266	4	1064	\$36,176.0
	H. Prepare Preliminary Determination	266	8	2128	\$72,352.0
	I. Prepare Notices for and Attend Public Hearings	266	18	4788	\$162,792.0
	J. Application Approval	266	16	4256	\$144,704.0
	K. Notification of Applicant of PA Determination	266	2	532	\$18,088.0
	L. Submittal on Information to BACT / LAER to RBLC	266	16	4256	\$144,704.0
	M. Total	266	109	28994	\$985,796.0
<b>III.</b>	<b>Minor Source Permits</b>	20000	10	200000	\$6,800,000.0
<b>IV.</b>	<b>Grand Total State &amp; Local Burden After NSR Reform</b>			268162	\$9,117,508.0
<b>V.</b>	<b>September 1995 ICR Burden</b>			346352	\$11,776,000
<b>VI.</b>	<b>Cost or (Savings) from Baseline</b>			(78190)	(\$2,658,492)
*Cost are in 1994 Dollars					

**TABLE 6-3  
FEDERAL BURDEN AND COSTS**

		Hours	Total	Total
Activity	Units	per Unit	Hours	Cost *
<b>I. Major Source Permits</b>				
A. Review and Verify Applicability Determination	510	2	1020	\$34,680
B. Review Control Technology Determination	510	3	1530	\$52,020
C. Evaluate Offsets	510	1	510	\$17,340
D. Evaluate Air Quality Modeling	510	4	2040	\$69,360
E. Evaluate Alternative and Secondary Impact Analysis	510	2	1020	\$34,680
F. Evaluate Class I Area Analysis	510	2	1020	\$34,680
G. Administrative Tasks	510	1	510	\$17,340
H. TOTAL	510	15	7650	\$260,100
<b>II. Minor source permits</b>				
A. Review and verify the applicability determination	2000	2	4000	\$136,000
<b>III. Grand total Burden and cost</b>			11650	\$396,100
<b>IV. Projected Burden and Cost impacts</b>				
A. 1995 Baseline Cost			17,560	\$597,000
B. Cost or (Savings) from Baseline			(5910)	(\$251,900)
* All Costs are in thousands of 1994 dollars; Labor rate is \$34.00/hour incl. overhead and benefits				

rate is consistent with previous NSR and operating permits analyses.

Note that the September 1995 program ICR neglected to include the Federal burden for reviewing minor sources.

(d) Reasons for Change in Burden

A major objective of the proposed NSR Reform rulemaking is to reduce the regulatory burden to respondents, State and local agencies, and the Federal Government for the permitting of major stationary sources. As shown in Tables 6-1 through 6-3 there is a projected reduction in burden primarily due to the projected elimination of over 500 major source permit applications that would otherwise be required for proposed modifications to existing major sources. The proposed revisions to determining an actual emissions baseline for netting and the allowance of sources to determine net emission increases based on projected future-annual emissions (both described in section 3 above) created about 80 percent of the projected reduction. The hourly burden per response, i.e., per permit application, increased slightly (11 hours) for part C PSD permits and decreased slightly (5 hours) for part D nonattainment area permits.

The Federal, State and local permitting agencies would also enjoy a burden reduction as a result of the decrease in the number of major source permits. State and local agency hourly burdens for reviewing and processing permits were predicted to decrease slightly for PSD and remain about the same part D NSR. Federal hourly burdens were not projected to change. The number of minor source permits was projected to increase commensurately with the decrease in major source permits. The hourly burden for minor source permit applications were not projected to change.

(e) Bottom Line Burden Hours and Costs/Burden Tables

Table 6-4 summarizes the projected burden and costs that would be incurred by industry and Federal, State and local permitting agencies if the proposed NSR reform rulemaking revisions are promulgated. For industry respondents, the burden estimated in this ICR is over 40 percent lower than the September 1995 ICR baseline. The Agency anticipates respondents would incur an annual cost of \$17.1 million for permitting due to this rulemaking, a savings of \$11.9 million per year from the September 1995 ICR baseline. In addition, the proposed NSR Reform package would reduce the corresponding cost to State and local agencies by approximately \$2.6 million per year. For the Federal Government, however, the savings derived from this rulemaking are much smaller, on the order of \$250 thousand per year.

(f) Burden Statement

The information collection requirements in this proposed rule have been submitted for approval to OMB under the Paperwork Reduction Act, 44 U.S.C. 3501 et. seq. An ICR document has been prepared by the EPA and a copy may be obtained from Sandy Farmer, Information Policy Branch (2136), U.S. Environmental Protection Agency, 401 M St., Washington, D.C. 20460, (202) 260-2740. Request ICR No. 1713.01.

The average annual burden for this collection of information is approximately 353 thousand hours per year for permitted units, or 711 hours for part C PSD sources and 445 hours for part D nonattainment sources. This includes time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Note that this is a cumulative burden; contracted services for this effort are estimated to be about 30 percent of the total.

Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Chief, Information Policy

Branch (2136) U.S. Environmental Protection Agency, 401 M St. SW, Washington, D.C. 20503, marked, "Attention: Desk Officer for the EPA." Information on the following elements would be particularly useful:

- (1) Capital cost associated with preapplication monitoring or contract services procured for preapplication monitoring.
- (2) The percentage of permits in which contract services are procured and the distribution by permit application element of the hourly burden furnished via contract services.

The final rule will respond to any OMB or public comments on the information collection requirements contained in this proposal.

TABLE 6-4  
SUMMARY OF RECORDKEEPING AND REPORTING BURDEN  
ESTIMATES TO INDUSTRY RESPONDENTS AND STATE AND  
LOCAL AGENCIES

		Part D (Nonattainment NSR) Major Source Permits	Part C (PSD) Major Source Permits	Minor Source Action	TOTALS
	No. of Sources (a)	266	144	20,000	
I.	Industry Respondent Burden				
	Hours/Source	445	711	8	
	Total Hours	118,370	102,384	160,000	380,754
	Wage Rate, \$/hour (b)	\$45	\$45	\$45	\$45
	Total Costs	\$5,326,650	\$4,607,280	\$7,200,000	\$17,133,930
	1995 Baseline Cost				\$29,073,000
	Cost or (Savings) from Baseline				(\$11,939,070)
II.	State and Local Agency Burden				
	No. of Agencies	50	60	85	
	No. of Sources/ Agency (c)	5.3	2.4	235.3	
	Hours/Source	110	272	10	
	Total Hours	29,260	39,168	200,000	268,428
	Wage Rate, \$/hour (b)	\$34	\$34	\$34	\$34
	Total Costs	\$994,840	\$1,331,712	\$6,800,000	\$9,126,552
	1995 Baseline Cost				\$11,776,000
	Cost or (Savings) from Baseline				(\$2,649,448)
III.	Federal Burden				
	No. of Sources (d)	266	144	2,000	
	Hours/Source	15	15	2	
	Total Hours	3,990	2,160	4,000	10,150
	Wage Rate, \$/hour (b)	34	34	34	34
	Total Costs	\$135,660	\$73,440	\$136,000	\$345,100
	1995 Baseline Cost				\$597,000
	Cost or (Savings) from Baseline				(\$251,900)
IV.	Total Program Cost	\$6,457,150	\$6,012,432	\$14,136,000	\$26,605,582
	Total Program Cost or (Savings) from Baseline				(\$14,840,418)
(a) Includes both major new and modified stationary sources.					
(b) Wage rate is based on the Federal wage rate at the Grade 11, Step 3 level for the 1994 pay schedule. The wage rate includes direct personnel and overhead costs.					
(c) Number of source permits processed by each agency equals the total number of sources divided by the total number of agencies under each column					

APPENDIX A  
INFORMATION REQUIREMENTS

TABLE A-1  
RESPONDENT DATA AND INFORMATION REQUIREMENTS FOR  
PREPARING PART C (PSD) CONSTRUCTION PERMITS \*

Requirements	Regulation Reference as Proposed
Registration of permit application on EPA Notification Board	40 CFR 51.166(n)(4)
Description of the nature, location, design capacity, and typical operating schedule	40 CFR 51.166(n)(2)(i)
Detailed schedule for construction	40 CFR 51.166(n)(2)(ii)
Description of continuous emission reduction system, emission estimates, and other information needed to determine that BACT is used	40 CFR 51.166(n)(2)(iii)
Air Quality impact, meteorological, and topographical data	40 CFR 51.166(n)(3)(i)
Nature and extent of, and air quality impacts of general commercial, residential, industrial, and other growth in area of source	40 CFR 51.166(n)(3)(i) 40 CFR 51.166(o)(2)
Use of air quality models to demonstrate compliance with NAAQS and increment	40 CFR 51.166(k)&(l)
Information necessary to determine impact on AQRVs in Federal Class I areas	40 CFR 51.166(p)(2)(i)
Air quality monitoring data	40 CFR 51.166(m)
Analysis of Impairment to visibility, soils, and vegetation	40 CFR 51.166(o)(1)
In case of modification, documentation of derivation of net emissions increase	40 CFR 51.166(b)(3)(i)
Documentation for basis of qualifying for a pollution control or pollution prevention project exclusion	40 CFR 51.166(b)(2)(iii)(H)
Written notice of proposed relocation of portable source	40 CFR 51.166(i)(4)(iii)(d)



TABLE A-2  
STATE DATA AND INFORMATION REQUIREMENTS  
FOR PSD PERMITS

Requirement	Regulation Reference as Proposed
Early FLM notification and opportunity to participate in meetings (for sources within 100 km of Class I area)	40 CFR 51.166(p)(2)
Submission of all permit applications to EPA	40 CFR 51.166(q)(4)(iv) 40 CFR 51.161(d)
Registration of summary information on NSR BBS	40 CFR 51.166(n)(4)
Submission to FLM of permit applications for sources within 100 km of Class I area or if otherwise requested by FLM	40 CFR 51.166(p)(4)
Make preliminary determination whether construction permit should be issued for major source or minor source or modification due to "clean unit" test or pollution control project exclusion.	40 CFR 51.166(i)-(p) 40 CFR 51.166(q)(4)(i)
Submission of notice of application, preliminary determination, degree of increment consumption, and opportunity for public comment	40 CFR 51.166(q)(4)(ii) & (iii)
Conduct public hearings on Major NSR permits	40 CFR 51.166(q)(4)(v)
Submission of written request to exempt sources from review under Federal regulations when	40 CFR 52.21(i)(4)(vi)
Make findings regarding innovative control technology applications and issue appropriate permit.	40 CFR 51.166(s)
Provide for appropriate public comment for minor NSR permits that have been issued in lieu of a major NSR permit due to "clean unit" test or pollution control project exclusion	40 CFR 51.161

**TABLE A-3.**  
**RESPONDENT DATA AND INFORMATION REQUIREMENTS FOR PREPARING PART D**  
**(NONATTAINMENT NSR) CONSTRUCTION PERMITS**

<b>Requirements</b>	<b>Regulation Reference as Proposed</b>
Documentation that LAER is being applied	40 CFR 51.165(a)(2)(ii)
Documentation that all sources owned or operated by same person in the particular State are in compliance with all State and Federal Regulations applicable in that State	40 CFR 51.165(a)(6)(ii)(D)
Documentation demonstrating the legitimacy of proposed offsets and that sufficient emissions reductions are occurring to ensure RFP	40 CFR 51.165(a)(2)(i) 40 CFR 51.165(a)(3)(i)
Documentation that benefits of proposed source significantly outweigh the environmental and social costs imposed as a result of its location, construction, or modification	40 CFR 51.165(a)(2)(i)
Description of the location, design construction, and operation of building, structure, facility, or installation	40 CFR 51.165(a)(6)(ii)
Description of the nature and amounts of emissions to be emitted and in case of a modification the derivation of the net emissions increase	40 CFR.165(a)(6)(ii) & (iii) 40 CFR.165(a)(1)(v) & (vi)
Description of the air quality data and dispersion or other air quality modeling used	40 CFR 51.160(f)
Documentation for basis of qualifying for a pollution control or pollution prevention project exclusion	40 CFR 51.165(a)(1)(v)(C)
Sufficient information to ensure attainment and maintenance of NAAQS	40 CFR 51.160(c)-(e) 40 CFR 51.161 40 CFR 51.162 40 CFR 51.163

**TABLE A-4**  
**STATE DATA AND INFORMATION REQUIREMENTS FOR NONATTAINMENT REGULATIONS**

<b>Requirement</b>	<b>Regulation Reference as Proposed</b>
Submission of all permit applications to EPA	40 CFR 51.161(d)
Registration of summary information on NSR BBS	40 CFR 51.165(a)(6)
Make preliminary determination whether construction permit should be issued for major source or minor source or modification due to "clean unit" test or pollution control project exclusion.	40 CFR 51.165(a)(1)-(15)
Submission of notice of application, preliminary determination, supporting analyses and documentation, and opportunity for public comment	40 CFR 51.165(a)(7)(iii)
Conduct public hearings on Major NSR permits	40 CFR 51.165(a)(7) 40 CFR 51.161
Make findings regarding innovative control technology applications and issue appropriate permit.	40 CFR 51.165(a)(8)
Report Technology Determinations to the RACT/BACT/LAER Clearinghouse	40 CFR 51.165(a)(16)
Provide for appropriate public comment for minor NSR permits that have been issued in lieu of a major NSR permit due to "clean unit" test or pollution control project exclusion	40 CFR 51.161